

## Message Text

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ORIGIN EA-12

INFO OCT-02 ISO-00 JUSE-00 SEC-01 XMB-02 ACDA-12  
CIAE-00 INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-08  
NRC-05 OES-07 SOE-02 DODE-00 DOE-11 SS-15 SP-02  
USIA-06 TRSE-00 COME-00 H-01 PRS-01 /114 R

DRAFTED BY EA/PHL:JSARTORIUS;OES/NET:DHOYLE:EBS  
APPROVED BY EA/PHL:BAFLECK  
JUSTICE:AKELLEY  
SEC:RMOROVILLO  
L:VVILAPLANA (INFO)  
NRC:MGUHHN  
L/OES:RBETTAUR  
EXIM:WGLICK

-----015427 260001Z /61

P 252302Z JAN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MANILA PRIORITY

C O N F I D E N T I A L STATE 020574

E.O. 11652: GDS

TAGS: ENRG, RP, US

SUBJECT: GUIDANCE ON USG ACTIONS IN WESTINGHOUSE  
NUCLEAR POWER PLANT CASE

REFS: A) MANILA 861, B) MANILA 923

1. EMBASSY CAN DRAW UPON FOLLOWING, AS SELECTIVELY INDICATED, IN RESPONDING TO QUERIES FROM INTERESTED PARTIES, INCLUDING GOP, WESTINGHOUSE REPS, AND (IF SPECIFICALLY ASKED) THE PHILIPPINE AND OTHER MEDIA, REGARDING CURRENT STATUS OF USG ACTIONS CONCERNING THE WESTINGHOUSE NUCLEAR POWER PLANT ISSUE.

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2. ACCORDING TO NYT OF JANUARY 21, WESTINGHOUSE HAS BEEN OFFICIALLY INFORMED BY THE DEPARTMENT OF JUSTICE AND SEC THAT THEY ARE INVESTIGATING ITS PHILIPPINE NUCLEAR POWER PLANT PROJECT TO DETERMINE WHETHER ANY IMPROPER PAYMENTS MAY HAVE BEEN MADE BY WESTINGHOUSE IN OBTAINING THE CONTRACT. IT IS JUSTICE AND SEC GENERAL POLICY NEITHER TO

CONFIRM NOR TO DENY REPORTS OF ANY INVESTIGATION WHICH MAY BE UNDERWAY.

3. (FOR GOP ONLY. JUSTICE AND SEC PREFER THAT WESTINGHOUSE/MANILA BE APPRISED DIRECTLY BY COMPANY HEADQUARTERS OF THEIR

INFORMING WESTINGHOUSE OF THEIR INVESTIGATIONS AND CURRENT STATUS.) WE UNDERSTAND THAT JUSTICE AND SEC REVIEW OF THE SITUATION IS IN A VERY PRELIMINARY STATE, PREPARATORY TO DECIDING WHETHER THERE IS SUFFICIENT CAUSE TO ENTER A CASE AGAINST WESTINGHOUSE. AT THE PRESENT TIME, NEITHER HAS ARRIVED AT ANY CONCLUSION ON THE MATTER. JUSTICE INDICATES THAT IT WILL BE AT LEAST SEVERAL MONTHS BEFORE A DECISION IS MADE EITHER TO DROP THE MATTER OR PROCEED FURTHER. THE DEPARTMENT OF STATE AND EXIM HAVE BEEN ASKED BY JUSTICE TO PROVIDE BACKGROUND INFORMATION ON THE WESTINGHOUSE CONTRACT. IN LIGHT OF INFORMATION IN THEIR POSSESSION, NEITHER AGENCY HAS ALLEGED OR SUGGESTED THAT WESTINGHOUSE MADE IMPROPER PAYMENTS IN SECURING THE CONTRACT. (END FOR GOP ONLY.)

3. BASED ON AVAILABLE INFORMATION AT THIS TIME, EXIM HAS EVERY INTENTION OF HONORING ITS COMMITMENT, UNDERTAKEN IN 1976, TO ASSIST IN THE FINANCING OF THIS PROJECT.

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4. CONGRESSMAN LONG HAS SENT LETTERS BOTH TO THE SECRETARY OF STATE AND TO THE NUCLEAR REGULATORY COMMISSION (NRC) CRITICIZING THE PROJECT AND REQUESTING ANSWERS TO A LONG LIST OF QUESTIONS BEFORE THE NRC GRANTS AN EXPORT LICENSE FOR THE REACTOR AND ASSOCIATED EQUIPMENT. QUESTIONS ADDRESSED TO DEPARTMENT ARE IN AREAS OF FINANCING, FOREIGN POLICY AND ECONOMIC DEVELOPMENT RATIONALE WHEREAS THOSE TO NRC LARGELY PERTAIN TO CONSIDERATIONS OF HEALTH AND SAFETY FACTORS IN OVERSEAS REACTORS. (COPIES OF LETTERS ARE BEING POUCHED.)

5. (FOR GOP AND WESTINGHOUSE ONLY.) THE DEPARTMENT (OES WITH EA/PHL CONTRIBUTIONS) IS IN THE PROCESS OF DRAFTING ITS RESPONSE TO LONG, WHICH WILL BE SUPPORTIVE OF THE PROJECT. WE UNDERSTAND THAT THE NRC STAFF IS ALSO CURRENTLY PREPARING A REPLY FOR COMMISSION REVIEW; IT IS DIFFICULT AT PRESENT TO ESTIMATE HOW LONG THIS WILL TAKE. IN REVIEWING THE REACTOR EXPORT APPLICATION, NRC COMMISSIONERS WILL BE AWARE OF CONGRESSMAN LONG'S VIEWS BUT WILL BASE THEIR DECISION ON ALL PERTINENT CONSIDERATIONS. WESTINGHOUSE REPS. WERE CORRECT IN REF. B STATEMENT THAT EXECUTIVE BRANCH HAD FORWARDED FAVORABLE RECOM-

MENDATION TO NRC FOR ISSUANCE OF REACTOR EXPORT LICENSE  
THIS PAST DECEMBER. HOWEVER, NRC STAFF SUBSEQUENTLY  
REQUESTED FURTHER INFORMATION FROM DEPARTMENT AND HAS NOT  
RPT NOT FORWARDED EXECUTIVE BRANCH RECOMMENDATION OR ITS  
OWN RECOMMENDATION TO NRC COMMISSIONERS FOR ACTION.  
DEPARTMENT (OES) RECENTLY REQUESTED THAT NRC STAFF NOT

PROCEED WITH FURTHER PROCESSING OF EXPORT APPLICATION  
ON BASIS OF EXECUTIVE BRANCH VIEWS SUBMITTED IN DECEMBER  
UNTIL LEGAL AND OTHER IMPLICATIONS ARISING FROM US PRESS  
AND CONGRESSMAN LONG'S ALLEGATIONS ARE REVIEWED. IF  
OUTCOME OF GOP "FORMAL HEARING" ON WESTINGHOUSE CONTRACT  
IS KNOWN PROMPTLY, THIS WOULD BE FACTORED INTO DEPART-  
MENT'S REVIEW. IN ANY EVENT, IT WILL BE AT LEAST A MONTH,  
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AND POSSIBLY LONGER, BEFORE THE NRC COMMISSIONERS ARE  
LIKELY TO CONSIDER THE REACTOR EXPORT LICENSE. (END FOR  
GOP AND WESTINGHOUSE ONLY). VANCE

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## Message Attributes

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**Decaption Date:** 01 jan 1960  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
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